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OPELOUSAS GENERAL HOSPITAL  
FINANCIAL REPORT  
JUNE 30, 1999

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Release Date ~~JAN 7 2 2000~~

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Opelousas General Hospital Trust Authority  
and Board of Commissioners  
Hospital Service District No. 2  
St. Landry Parish, Louisiana

We have audited the accompanying consolidated balance sheet of Opelousas General Hospital Trust Authority and Hospital Service District No. 2 of St. Landry Parish, Louisiana as of June 30, 1999 and the related consolidated statement of revenues and expenses, change in fund balance, and cash flows for the year then ended. These financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

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To the Board of Trustees  
Opelousas General Hospital Trust Authority  
and Board of Commissioners  
Hospital Service District No. 2  
St. Landry Parish, Louisiana

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Opelousas General Hospital Trust Authority and Hospital Service District No. 2 of St. Landry Parish, Louisiana as of June 30, 1999 and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated November 3, 1999 on our consideration of the Hospital's internal control structure and a report dated November 3, 1999 on its compliance with laws and regulations.

*Broussard, Roche, Lewis & Breaux L.L.P.*

Opelousas, Louisiana  
November 3, 1999

OPELOUSAS GENERAL HOSPITAL TRUST AUTHORITY  
AND HOSPITAL SERVICE DISTRICT NO. 2 OF ST. LANDRY PARISH, LOUISIANA

CONSOLIDATED BALANCE SHEETS  
June 30, 1999 and 1998  
(In Thousands)

| ASSETS   | <u>1999</u>      | <u>1998</u>      |
|--|------------------|------------------|
| <b>CURRENT ASSETS</b>  |                  |                  |
| Cash and cash equivalents  | \$ 603           | \$ 1,256         |
| Patient accounts receivable, less allowances for uncollectible accounts, \$3,093 at 1999 and \$2,292 at 1998 | 7,559            | 7,931            |
| Debt retirement bond fund held by Trustee:   |                  |                  |
| Bond fund:   |                  |                  |
| Cash and cash equivalents  | 398              | 373              |
| Accrued interest receivable  | 4                | 4                |
| Investments  | 11,062           | 11,177           |
| Inventories  | 1,268            | 1,132            |
| Prepaid expenses   | 470              | 369              |
| Other receivable   | <u>1,300</u>     | <u>735</u>       |
| Total current assets   | <u>\$ 22,664</u> | <u>\$ 22,977</u> |
| <b>OTHER ASSETS</b>  |                  |                  |
| Debt retirement funds held by Trustees:  |                  |                  |
| Bond reserve fund:   |                  |                  |
| Cash and cash equivalents  | \$ 5             | \$ 933           |
| Investments  | 1,060            | 601              |
| Accrued interest receivable  | 4                | 5                |
| Replacement and renovation fund:   |                  |                  |
| Cash and cash equivalents  | 66               | 8                |
| Investments  | -                | 74               |
| Excess depreciation fund:  |                  |                  |
| Cash and cash equivalents  | 189              | 17               |
| Investments  | -                | 163              |
| Accrued interest receivable  | 1                | -                |
| Investments  | 5,939            | 4,115            |
| Deposits designated for costs of construction project:   |                  |                  |
| Cash and cash equivalents  | 126              | 467              |
| Unamortized expense  | 80               | 168              |
| Other investments  | -                | 94               |
| Other assets   | <u>2</u>         | <u>2</u>         |
|  | <u>\$ 7,472</u>  | <u>\$ 6,647</u>  |
| <b>PROPERTY, PLANT AND EQUIPMENT, less accumulated depreciation, \$35,630 at 1999 and \$33,031 at 1998</b>   | <u>\$ 36,817</u> | <u>\$ 35,094</u> |
|  | <u>\$ 66,953</u> | <u>\$ 64,718</u> |

See Notes to Consolidated Financial Statements.

| LIABILITIES AND FUND BALANCES              | <u>1999</u>      | <u>1998</u>      |
|--|------------------|------------------|
| <b>CURRENT LIABILITIES</b>                 |                  |                  |
| Trade accounts payable                     | \$ 1,117         | \$ 1,177         |
| Current portion of long-term debt          | 715              | 704              |
| Current portion of long-term capital lease | 258              | 239              |
| Employee compensation payable              | 1,718            | 2,327            |
| Other accrued expenses                     | 146              | 147              |
| Estimated third-party payor settlements    | <u>2,008</u>     | <u>1,695</u>     |
| Total current liabilities                  | <u>\$ 5,962</u>  | <u>\$ 6,289</u>  |
| <b>LONG-TERM LIABILITIES</b>               |                  |                  |
| Long-term portion of debt                  | \$ 6,566         | \$ 7,281         |
| Long-term portion of capital lease         | <u>577</u>       | <u>824</u>       |
|  | <u>\$ 7,143</u>  | <u>\$ 8,105</u>  |
| <b>FUND BALANCES</b>                       |                  |                  |
| Designated:                                |                  |                  |
| For debt retirement:                       |                  |                  |
| Bond fund                                  | \$ 399           | \$ 374           |
| Bond reserve fund                          | 1,068            | 1,538            |
| Replacement and renovation reserve fund    | 66               | 81               |
| Excess depreciation fund                   | 189              | 179              |
| For plant repair and expansion             | <u>6,065</u>     | <u>4,582</u>     |
|  | <u>\$ 7,787</u>  | <u>\$ 6,754</u>  |
| Non-designated                             | <u>46,061</u>    | <u>43,570</u>    |
|  | <u>\$ 53,848</u> | <u>\$ 50,324</u> |
|  | <u>\$ 66,953</u> | <u>\$ 64,718</u> |

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OPELOUSAS GENERAL HOSPITAL TRUST AUTHORITY  
AND HOSPITAL SERVICE DISTRICT NO. 2 OF ST. LANDRY PARISH, LOUISIANA

CONSOLIDATED STATEMENTS OF REVENUES AND EXPENSES

Years Ended June 30, 1999 and 1998

(In Thousands)

|   | <u>1999</u>      | <u>1998</u>      |
|---|------------------|------------------|
| Net patient service revenues                        | \$ 45,979        | \$ 44,759        |
| Other operating revenues                            | <u>653</u>       | <u>662</u>       |
| Total operating revenues                            | <u>\$ 46,632</u> | <u>\$ 45,421</u> |
| Operating expenses:                                 |                  |                  |
| Routine services                                    | \$ 5,273         | \$ 5,212         |
| Ancillary services                                  | 21,760           | 19,527           |
| General services                                    | 4,033            | 3,908            |
| Fiscal and administrative services                  | 6,511            | 6,490            |
| Depreciation  | 3,700            | 3,640            |
| Interest  | 606              | 679              |
| Provision for uncollectible accounts                | <u>2,928</u>     | <u>1,944</u>     |
|   | <u>\$ 44,811</u> | <u>\$ 41,400</u> |
| Excess of operating revenue over operating expenses | <u>\$ 1,821</u>  | <u>\$ 4,021</u>  |
| Nonoperating revenues (expenses):                   |                  |                  |
| Interest revenue                                    | \$ 1,143         | \$ 1,102         |
| Gain (loss) on OGH Medical Services, Inc.           | (25)             | (37)             |
| Loss on OGH Medical Offices, Inc.                   | (74)             | (12)             |
| Donations   | 4                | 5                |
| Rental income, net of expenses                      | 683              | 597              |
| Loss on disposal of assets                          | (32)             | (1)              |
| Other   | <u>4</u>         | <u>14</u>        |
|   | <u>\$ 1,703</u>  | <u>\$ 1,668</u>  |
| Excess of revenues over expenses                    | <u>\$ 3,524</u>  | <u>\$ 5,689</u>  |

See Notes to Consolidated Financial Statements.

OPELOUSAS GENERAL HOSPITAL TRUST AUTHORITY  
AND HOSPITAL SERVICE DISTRICT NO. 2 OF ST. LANDRY PARISH, LOUISIANA

CONSOLIDATED STATEMENTS OF CHANGES IN FUND BALANCES  
Years Ended June 30, 1999 and 1998  
(In Thousands)

|   | Designated Funds |                         |   |
|---|------------------|-------------------------|---|
|   | Debt Retirement  |                         | Replacement<br>and<br>Renovation<br>Reserve<br>Fund |
|   | Bond<br>Fund     | Bond<br>Reserve<br>Fund |   |
| Balance, June 30, 1997                      | \$ 364           | \$ 1,456                | \$ 77   |
| Additions:                                  |                  |                         |   |
| Allocation of excess revenues over expenses | 26               | 82                      | 4   |
| Deductions and transfers:                   |                  |                         |   |
| Transfer from non-designated funds          | 1,164            | -                       | -   |
| Interest paid                               | (555)            | -                       | -   |
| Debt retirement                             | (625)            | -                       | -   |
| Capital expenditures                        | <u>-</u>         | <u>-</u>                | <u>-</u>  |
| Balance, June 30, 1998                      | \$ 374           | \$ 1,538                | \$ 81   |
| Additions:                                  |                  |                         |   |
| Allocation of excess revenues over expenses | 24               | 60                      | 4   |
| Deductions and transfers:                   |                  |                         |   |
| Transfer from (to) non-designated funds     | 1,004            | (493)                   | (8)   |
| Transfers from (to) designated funds        | 48               | (37)                    | (11)  |
| Interest paid                               | (516)            | -                       | -   |
| Debt retirement                             | (535)            | -                       | -   |
| Capital expenditures                        | <u>-</u>         | <u>-</u>                | <u>-</u>  |
| Balance, June 30, 1999                      | <u>\$ 399</u>    | <u>\$ 1,068</u>         | <u>\$ 66</u>  |

See Notes to Consolidated Financial Statements.

Designated Funds  
Debt Retirement

| <u>Excess<br/>Depreciation<br/>Fund</u> | <u>Plant<br/>Repair<br/>and<br/>Expansion</u> | <u>Non-<br/>Designated<br/>Funds</u> | <u>Total</u>     |
|---|---|--------------------------------------|------------------|
| \$ 169                                  | \$ 5,575                                      | \$ 36,994                            | \$ 44,635        |
| 10                                      | 256   | 5,311                                | 5,689            |
| -                                       | 3,499   | (4,663)                              | -                |
| -                                       | -   | 555                                  | -                |
| -                                       | -   | 625                                  | -                |
| <u>-</u>                                | <u>(4,748)</u>                                | <u>4,748</u>                         | <u>-</u>         |
| \$ 179                                  | \$ 4,582                                      | \$ 43,570                            | \$ 50,324        |
| 10                                      | 84  | 3,342                                | 3,524            |
| -                                       | 6,617   | (7,120)                              | -                |
| -                                       | -   | -                                    | -                |
| -                                       | -   | 516                                  | -                |
| -                                       | -   | 535                                  | -                |
| <u>-</u>                                | <u>(5,218)</u>                                | <u>5,218</u>                         | <u>-</u>         |
| <u>\$ 189</u>                           | <u>\$ 6,065</u>                               | <u>\$ 46,061</u>                     | <u>\$ 53,848</u> |

OPELOUSAS GENERAL HOSPITAL TRUST AUTHORITY  
AND HOSPITAL SERVICE DISTRICT NO. 2 OF ST. LANDRY PARISH, LOUISIANA

CONSOLIDATED STATEMENTS OF CASH FLOWS  
Years Ended June 30, 1999 and 1998  
(In Thousands)

|  | <u>1999</u>       | <u>1998</u>       |
|--|-------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                   |                   |
| Excess of revenues over expenses   | \$ 3,524          | \$ 5,689          |
| Adjustments to reconcile net income to<br>net cash provided by operating activities: |                   |                   |
| Depreciation   | 3,777             | 3,715             |
| Amortization   | 88                | 14                |
| Loss on disposal of assets   | 29                | 1                 |
| Loss on disposal of investee   | 28                |                   |
| (Gain) on investment   | (7)               | (9)               |
| (Increase) decrease in assets:   |                   |                   |
| Receivables  | (191)             | (2,093)           |
| Inventories  | (135)             | (331)             |
| Prepaid expenses   | (101)             | 382               |
| Other assets   | -                 | 5                 |
| Increase in liabilities:   |                   |                   |
| Payables   | (357)             | (600)             |
| Overdrafts   | -                 | (173)             |
|  | <u>          </u> | <u>          </u> |
| Net cash provided by operating activities  | <u>\$ 6,655</u>   | <u>\$ 6,600</u>   |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING<br/>ACTIVITIES</b>                  |                   |                   |
| Principal payments on long-term debt   | \$ (704)          | \$ (786)          |
| Principal payments on capital lease  | (228)             | (213)             |
| Proceeds from issuance of capital lease  | <u>          </u> | <u>1,277</u>      |
| Net cash provided by (used in) financing activities                                  | <u>\$ (932)</u>   | <u>\$ 278</u>     |
| Subtotals forward  | <u>\$ 5,723</u>   | <u>\$ 6,878</u>   |

(Continued)

OPELOUSAS GENERAL HOSPITAL TRUST AUTHORITY  
AND HOSPITAL SERVICE DISTRICT NO. 2 OF ST. LANDRY PARISH, LOUISIANA

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)  
Years Ended June 30, 1999 and 1998  
(In Thousands)

|  | <u>1999</u>       | <u>1998</u>       |
|--|-------------------|-------------------|
| Subtotals forwarded                                      | <u>\$ 5,723</u>   | <u>\$ 6,878</u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>              |                   |                   |
| Purchase of investments                                  | \$ (21,092)       | \$ (19,816)       |
| Proceeds from redemption of investments                  | 19,161            | 20,701            |
| Purchase of property and equipment                       | (4,620)           | (4,613)           |
| Proceeds from sale of property and equipment             | 290               | 49                |
| Dividends from investment                                | 5                 | 8                 |
| Increase in construction in progress                     | (1,245)           | (1,782)           |
| Amount of general ledger booked as cost of new asset     | -                 | 2                 |
| Proceeds from sale of interest in investment             | 68                | -                 |
| Other  | <u>43</u>         | <u>-</u>          |
| Net cash used in investing activities                    | <u>\$ (7,390)</u> | <u>\$ (5,451)</u> |
| Net increase (decrease) in cash and cash equivalents     | \$ (1,667)        | \$ 1,427          |
| Cash and cash equivalents, beginning                     | <u>3,054</u>      | <u>1,627</u>      |
| Cash and cash equivalents, ending                        | <u>\$ 1,387</u>   | <u>\$ 3,054</u>   |
| <b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b> |                   |                   |
| Cash payments for interest                               | <u>\$ 614</u>     | <u>\$ 690</u>     |

See Notes to Consolidated Financial Statements.

OPELOUSAS GENERAL HOSPITAL TRUST AUTHORITY  
AND HOSPITAL SERVICE DISTRICT NO. 2 OF ST. LANDRY PARISH, LOUISIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization and Significant Accounting Policies

Organization and Consolidation:

The accompanying financial statements include the consolidated accounts and transactions of Hospital Service District No. 2 of St. Landry Parish, Louisiana (District), and Opelousas General Hospital Authority (Authority). All significant transactions between the two entities have been eliminated in consolidation.

The District, which is the beneficiary of the Authority, is a political subdivision of the State created by an ordinance adopted by the St. Landry Parish Police Jury on July 6, 1953 for the purpose of establishing the Hospital. The geographical limits of the District coincide with those of Ward 1, St. Landry Parish, which includes the corporate limits of the City of Opelousas. Members of the Board of Commissioners are appointed by the St. Landry Parish Police Jury and may also serve as Trustees of the Authority.

The Authority was created under the laws of the State of Louisiana pursuant to a Trust Indenture executed on April 6, 1971 for the benefit of the District and is a public instrumentality of the State of Louisiana. The stated purpose of the Authority is to acquire hospital facilities by lease, purchase, gift or otherwise and to plan, establish, develop, construct and administer hospital properties for the use and benefit of the residents of the District. The Authority is empowered to issue temporary notes, bonds, or other evidences of indebtedness from time to time to accomplish any of these purposes.

The Authority owns 100% of OGH Medical Services, Inc. This subsidiary was a general partner with a 1% equity interest and a 15% interest in net income of Acadiana Medical Ventures, Ltd. The interest in Acadiana Medical Ventures, Ltd. was sold in May 1999. The Authority also owns 100% of OGH Medical Offices, Inc.

Net patient service revenues:

Net patient service revenue is reported at the estimated net realizable amounts from patients, third party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Inventories:

Inventories are valued at the latest invoice price which approximates the lower of cost (first-in, first-out method) or market.

### Investments:

Investments include certificates of deposit, obligations of the U.S. Government Agencies and commercial paper issued by United States corporations with ratings of at least A-1 (Moody's) and P-1 (Standard and Poor's) and are stated at cost or amortized cost. All investments have fixed maturities. It is the Authority's intention to hold investments to maturity.

### Property, plant and equipment:

The Hospital records all property, plant and equipment acquisitions at cost, except for assets donated to the Hospital. Donated assets are recorded at fair market value at the date of donation.

The Hospital provides for depreciation of its plant and equipment using the straight-line method in amounts sufficient to amortize the cost of its assets over their estimated useful lives.

### Unamortized expense:

Unamortized expenses are recorded as other assets and are amortized over the estimated lives of the related assets.

### Designated and non-designated funds:

The Hospital classifies all of its funds as either designated or non-designated. Designated funds have been designated for specific purposes by the Opelousas General Hospital Board, the St. Landry Parish Police Jury, or the donors.

The Hospital has several designated funds which were established by the issuance of debt. These funds are to be maintained by the Trustee (Hancock Bank of Louisiana in Baton Rouge, Louisiana) as special trust accounts for the benefit and security of all of the holders and owners of the bonds (the ten year notes and the first leasehold mortgage revenue bonds):

### Debt Retirement Bond Fund:

The Bond Fund is used to receive transfers of revenues from the Authority to pay the principal and the interest on the bonds. Amounts contained in the Bond Fund in excess of the interest due on the next succeeding interest payment date and the principal due on the next succeeding principal payment date may, at the option of the Authority, be used either for early redemption of bonds or for the purchase of bonds in the open market.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Bond Reserve Fund:

The Bond Reserve Fund shall be used to prevent any default in the payment of the bonds. The minimum required balance in the Bond Reserve Fund is an amount equal to the maximum annual debt service requirements (principal and interest) on the bonds. Any amounts accumulating in excess of the minimum required balance should be transferred to the Debt Retirement Bond Fund.

### Replacement and Renovation Fund:

The Replacement and Renovation Fund is to assure the availability of funds for emergency repair or replacement of equipment and renovation of facilities that could affect the operation of the Hospital. The minimum required balance in the Renovation and Replacement Reserve Fund is \$51,000. Amounts accumulating in excess of the minimum required balance are transferred by the Trustee Bank upon receipt to the Debt Retirement Bond Fund.

### Excess Depreciation Fund:

The Excess Depreciation Fund is to assure that funds are available for replacement and purchase of additional equipment and new property for the benefit of the Hospital. The required annual (to be deposited monthly) transfer is the depreciation expense that is in excess of the principal payment on the bonds and current acquisition of depreciable assets and capital improvements during the year.

### Gifts, Grants, and Bequests:

Gifts, grants and bequests not designated by donors for specific purposes are reported as nonoperating revenues regardless of the use for which they might be designated by the Board. Gifts, grants and bequests restricted by donors for a specific purpose are reported as additions to the restricted funds and are transferred to the non-designated funds when the funds have been disbursed for the intended purpose.

### Cash and cash equivalents:

For purposes of the statement of cash flows, the Hospital considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

### Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Environmental matters:

Due to the nature of the Hospital's operations, materials handled could lead to environmental concerns. However, at this time, management is not aware of any environmental matters which need to be considered.

Note 2. Health Insurance Program Reimbursement

The Hospital participates in medicare and medicaid programs as a provider of medical services to program beneficiaries. During the years ended June 30, 1999 and 1998, approximately 62% and 71%, respectively, of the Hospital's patient service revenues were furnished to medicare and medicaid program beneficiaries. Revenues derived from the medicare program are subject to audit and adjustment by the fiscal intermediary and must be accepted by the Department of Health and Human Services before settlement amounts become final. Revenues derived from the medicaid program are subject to audit and adjustment and must be accepted by the Department of Health and Hospitals, State of Louisiana before the settlement amounts become final. Management does not anticipate significant adjustments by program representatives of settlements for the year ended June 30, 1999.

Note 3. Property, Plant, and Equipment

The following is a summary of the property, plant, and equipment by business activity.

|                              | 1999                 |                            |                             |
|------------------------------|----------------------|----------------------------|-----------------------------|
|                              | <u>Hospital</u>      | <u>Medical<br/>Offices</u> | <u>Medical<br/>Services</u> |
| Land and land improvements   | \$ 3,932,000         | \$ -                       | \$ 71,000                   |
| Building and fixed equipment | 35,736,000           | -                          | 1,193,000                   |
| Major moveable equipment     | 30,094,000           | 92,000                     | 387,000                     |
| Construction in progress     | 942,000              | -                          | -                           |
| Accumulated depreciation     | <u>(34,963,000)</u>  | <u>(25,000)</u>            | <u>(642,000)</u>            |
|                              | <u>\$ 35,741,000</u> | <u>\$ 67,000</u>           | <u>\$ 1,009,000</u>         |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

|                               | <u>1998</u>          |                            |                             |
|-------------------------------|----------------------|----------------------------|-----------------------------|
|                               | <u>Hospital</u>      | <u>Medical<br/>Offices</u> | <u>Medical<br/>Services</u> |
| Land and land improvements    | \$ 3,594,000         | -                          | \$ 71,000                   |
| Buildings and fixed equipment | 32,562,000           | -                          | 1,161,000                   |
| Major moveable equipment      | 27,854,000           | 57,000                     | 311,000                     |
| Construction in progress      | 2,515,000            | -                          | -                           |
| Allowance for depreciation    | <u>(32,441,000)</u>  | <u>(12,000)</u>            | <u>(578,000)</u>            |
|                               | <u>\$ 34,084,000</u> | <u>\$ 45,000</u>           | <u>\$ 965,000</u>           |

Depreciation expense for the Hospital, Medical Services and Medical Offices was \$3,700,000, \$63,000 and \$14,000, respectively, in 1999 and \$3,640,000, \$67,000, and \$8,000, respectively, in 1998.

The construction in progress represents the costs involved in relation to various renovations at the hospital.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 4. Investments

The Hospital invests in certificates of deposits with local banks, obligations of U.S. Government Agencies and commercial paper issued by U.S. corporations with a rating of A-1 (Moody's) and P-1 (Standard and Poor's) or higher. All of the securities have fixed maturities and it is the Hospital's intention to hold them until maturity.

The balances at June 30, 1999 and 1998 are as follows:

|                             | <u>June 30, 1999</u> |                     | <u>June 30, 1998</u> |                     |
|-----------------------------|----------------------|---------------------|----------------------|---------------------|
|                             | <u>Book Value</u>    | <u>Market Value</u> | <u>Book Value</u>    | <u>Market Value</u> |
| Certificates of deposit     | \$ 698,000           | \$ 698,000          | \$ 750,000           | \$ 750,000          |
| U.S. Government Obligations | 14,238,000           | 14,156,000          | 14,281,000           | 14,296,000          |
| Commercial paper            | <u>3,728,000</u>     | <u>3,756,000</u>    | <u>1,099,000</u>     | <u>1,126,000</u>    |
|                             | <u>\$18,664,000</u>  | <u>\$18,610,000</u> | <u>\$16,130,000</u>  | <u>\$16,172,000</u> |

Note 5. Long-Term Debt

The details and balances of long-term debt are presented below:

|   | <u>1999</u>        | <u>1998</u>        |
|---|--------------------|--------------------|
| <b>SURGERY AND WOMEN'S SERVICES EXPANSION</b>   |                    |                    |
| First Leasehold Mortgage Hospital Revenue Bonds Series 1995, 5.3% to 7.4%, collateralized by a first mortgage on the leasehold interest of the facilities and pledge of hospital revenues, due serially to 2015, with annual installments ranging from \$240,000 to \$680,000 (\$565,000 due in 2000) | \$7,015,000        | \$7,550,000        |
| <b>MEDICAL EQUIPMENT</b>  |                    |                    |
| 5.9% Note collateralized by ultrasound equipment, payable in monthly installments of \$3,000, including interest through 3-1-99   | <u>-</u>           | <u>21,000</u>      |
| Subtotals forwarded   | <u>\$7,015,000</u> | <u>\$7,571,000</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

|  | <u>1999</u>        | <u>1998</u>        |
|--|--------------------|--------------------|
| Subtotals forwarded  | \$7,015,000        | \$7,571,000        |
| OPELOUSAS MEDICAL CENTER (OFFICE BUILDING)   |                    |                    |
| Note collateralized by real estate with a carrying value of \$880,000 bearing interest based on Chase prime with a floor of 8% and a ceiling of 10%, payable in monthly installments of \$9,000, including interest through 11-01-2001 (\$94,000 due in 2000)  |                    |                    |
|  | 226,000            | 312,000            |
| MEDICAL ARTS PLAZA (OFFICE BUILDING)   |                    |                    |
| Note collateralized by real estate with a carrying value of \$560,000, bearing interest based on Chase prime with a floor of 8% and a ceiling of 10%, payable in monthly installments of \$6,000, including interest through 10-01-2001 (\$61,000 due in 2000) |                    |                    |
|  | 139,000            | 194,000            |
| HARMON PROPERTY (OFFICE SPACE)   |                    |                    |
| 8.50% note collateralized by real estate and various equipment, payable in monthly installments of \$1,000, including interest through 8-1-99 (\$1,000 due in 2000)  |                    |                    |
|  | 1,000              | 15,000             |
| G.E. MEDICAL SYSTEMS - (CATH. LAB.)  |                    |                    |
| Capital lease on heart catheterization laboratory equipment, payable in monthly installments of \$24,000, including interest at 5.32% through 7-2-2002 (\$257,000 due in 2000)   |                    |                    |
|  | 835,000            | 1,063,000          |
| Unamortized discount on the issuance of Series 1995 bonds (\$6,000 in 2000)  | <u>(101,000)</u>   | <u>(107,000)</u>   |
|  | \$8,115,000        | \$9,048,000        |
| Less current portion   | <u>972,000</u>     | <u>943,000</u>     |
|  | <u>\$7,143,000</u> | <u>\$8,105,000</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Aggregate maturities required on long-term debt at June 30, 1999 are as follows:

|             |                    |
|-------------|--------------------|
| 2000        | \$ 972,000         |
| 2001        | 1,035,000          |
| 2002        | 956,000            |
| 2003        | 698,000            |
| 2004        | 514,000            |
| Later years | <u>3,940,000</u>   |
|             | <u>\$8,115,000</u> |

First Leasehold Mortgage Revenue Bonds:

During 1973, 1979 and 1995, the Hospital Authority issued revenue bonds totaling \$3,180,000, \$3,930,000 and \$8,315,000, respectively, to finance construction and renovation of the Hospital. The bonds are payable from a pledge of future revenues and are collateralized by mortgages on all properties of the Hospital.

The 1995 revenue bonds are cancelable at the option of the Authority at a premium of up to 2% of the principal amount retired or redeemed after April 1, 2005 and prior to April 1, 2007.

During 1998, the 1973 and 1979 bond series were called and paid in full.

Note 6. Employee Retirement Plan

The Hospital has a defined contribution pension plan which covers substantially all full-time Hospital employees after they have met certain eligibility requirements. Employees are required to contribute an amount equal to the existing Social Security and Medicare rate. All funds contributed by the employee are fully vested. The Hospital contributes amounts ranging from 5 to 13 percent of the employees salary based on length of employment. The Hospital's contribution is fully vested to the participants after 7 years of continued employment. The Hospital's contributions to the plan for the years ended June 30, 1999 and 1998, were \$1,120,000 and \$1,190,000, respectively.

Note 7. Unamortized Expense

|                            | <u>Amortization</u> |               | <u>1999</u>      | <u>1998</u>      |
|----------------------------|---------------------|---------------|------------------|------------------|
|                            | <u>Method</u>       | <u>Period</u> |                  |                  |
| Organizational costs       | SL                  | 30 Yrs.       | 78,000           | 83,000           |
| 1995 Debt issuance expense | SL                  | 20 Yrs.       | <u>80,000</u>    | <u>85,000</u>    |
|                            |                     |               | <u>\$158,000</u> | <u>\$168,000</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 8. Charity Care and Contractual Discounts

Charity care:

The Hospital maintains records to identify and monitor the level of charity it provides. These records include the amount of charges foregone for services under its charity care policy. The amount of charges foregone for charity care provided is \$193,000 and \$604,000 during 1999 and 1998, respectively.

Contractual discounts:

As discussed in Note 2, the Hospital participates in medicare and medicaid programs as a provider of medical services to program beneficiaries. Because of Federal and State regulations, the Hospital does not receive full payment from third party payors under these programs. The amounts uncollected as contractual adjustments were \$25,353,000 and \$26,070,000 during 1999 and 1998, respectively.

Note 9. Lease - SVH-Opelousas Rehabilitation Campus

During 1998, the Authority entered into an agreement with Sabine Valley Hospital, L.L.C. d/b/a SVH-Opelousas Rehabilitation Campus (OCR) whereby the Authority leased twenty-one licensed beds within the hospital to OCR for the purposes of operating a rehabilitation facility. This agreement expires on April 30, 2000.

Note 10. Year 2000 Issue

The Year 2000 issue is the result of shortcomings of many electronic data processing systems and other electronic equipment that may adversely affect the Authority's operations.

The Authority has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 issue and that are necessary to conducting the Authority's operations. The Authority is currently in the remediation phase for some of the systems and in the validation phase for others.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the Year 2000 and thereafter. Management cannot assure that the Authority is or will be completely Year 2000 compliant or that parties with whom the Authority does business will be Year 2000 ready.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 11. Reclassifications

Certain items included in the consolidated statements of revenue and expenses and applicable supplementary information for the year ended June 30, 1998 have been reclassified between departments in order to make the statements more comparable with the 1999 statements. There is no effect on the excess of revenues over expenses as a result of these changes.

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## **BROUSSARD, POCHE', LEWIS & BREAUX, L.L.P.**

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### INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

To the Board of Trustees  
Opelousas General Hospital Trust Authority  
and Board of Commissioners  
Hospital Service District No. 2  
St. Landry Parish, Louisiana

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis of the basic consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies. The supplementary information has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Lawrence A. Cramer, CPA\*  
Eugene C. Gilder, CPA\*  
Donald W. Kelley, CPA\*  
Herbert Lemoine II, CPA\*  
Frank A. Stagno, CPA\*  
Scott J. Broussard, CPA\*  
L. Charles Abshire, CPA\*  
Kenneth R. Dugas, CPA\*  
P. John Blanchet III, CPA\*  
Stephen L. Lambousy, CPA\*  
Craig C. Babineaux, CPA\*  
Peter C. Borrello, CPA\*  
Michael P. Crochet, CPA\*  
George J. Trappey III, CPA\*  
Daniel E. Gilder, CPA\*  
Gregory B. Milton, CPA\*  
S. Scott Soileau, CPA\*  
Patrick D. McCarthy, CPA\*  
Martha B. Wyatt, CPA\*

#### *Retired:*

Sidney L. Broussard, CPA 1980  
Leon K. Poche, CPA 1984  
James H. Breaux, CPA 1987  
Erno R. Walton, CPA 1988  
George A. Lewis, CPA\* 1992  
Geraldine J. Wimberly, CPA\* 1995  
Rodney L. Savoy, CPA\* 1996  
Larry G. Broussard, CPA\* 1996

Members of American Institute of  
Certified Public Accountants  
Society of Louisiana Certified  
Public Accountants

*Broussard, Poche', Lewis, Breaux L.L.P.*

Opelousas, Louisiana  
November 3, 1999

OPELOUSAS GENERAL HOSPITAL TRUST AUTHORITY AND  
HOSPITAL SERVICE DISTRICT NO. 2 OF  
ST. LANDRY PARISH, LOUISIANA

SCHEDULES OF INCOME FROM PATIENT SERVICES  
Years Ended June 30, 1999 and 1998  
(In Thousands)

|  | <u>Inpatient</u> |                  |
|--|------------------|------------------|
|  | <u>1999</u>      | <u>1998</u>      |
| Routine services:                        |                  |                  |
| Medical and surgical                     | \$ 4,280         | \$ 3,528         |
| Intensive care unit                      | 1,841            | 2,109            |
| Nursery                                  | 483              | 508              |
| Skilled nursing facility                 | 396              | 441              |
|  | <u>\$ 7,000</u>  | <u>\$ 6,582</u>  |
| Ancillary services:                      |                  |                  |
| Ambulance service                        | \$ -             | \$ -             |
| Anesthesiology                           | 1,615            | 944              |
| Cancer treatment center                  | 47               | 59               |
| Cardiac catheterization                  | 2,035            | 1,548            |
| Cardiopulmonary diagnostic lab and rehab | 746              | 747              |
| Central supply                           | 3,458            | 4,409            |
| Communication disorders                  | 105              | 120              |
| Contract dialysis                        | 215              | 228              |
| CT scan                                  | 993              | 858              |
| Delivery room                            | 820              | 758              |
| Emergency room                           | 341              | 371              |
| Emergency room physician                 | 420              | 388              |
| Home health                              | -                | -                |
| Hyperbaric medicine                      | 278              | 198              |
| Inhalation therapy                       | 6,012            | 6,657            |
| Intravenous therapy                      | 1,097            | 1,088            |
| Laboratory                               | 4,199            | 4,175            |
| Lithotripsy                              | 23               | -                |
| Medical imaging                          | 1,101            | 1,098            |
| MRI                                      | 180              | 168              |
| Nuclear medicine                         | 160              | 154              |
| Oncology                                 | 10               | 6                |
| Operating room                           | 4,367            | 4,260            |
| Pain management                          | -                | -                |
| Pharmacy                                 | 8,397            | 8,271            |
| Physical therapy                         | 300              | 263              |
| Physician clinics                        | -                | -                |
| Pulmonary function                       | 38               | 42               |
| Recovery room                            | 627              | 598              |
| Rural health clinics                     | -                | -                |
| Social services                          | 50               | 45               |
|  | <u>\$ 37,622</u> | <u>\$ 37,438</u> |

| <u>Outpatient</u> |                  | <u>Totals</u>    |                  |
|-------------------|------------------|------------------|------------------|
| <u>1999</u>       | <u>1998</u>      | <u>1999</u>      | <u>1998</u>      |
| \$ 192            | \$ 195           | \$ 4,472         | \$ 3,721         |
| 83                | 22               | 1,924            | 2,131            |
| -                 | 1                | 483              | 507              |
| -                 | -                | 396              | 441              |
| <u>\$ 275</u>     | <u>\$ 218</u>    | <u>\$ 7,275</u>  | <u>\$ 6,800</u>  |
| \$ 13             | \$ 20            | \$ 13            | \$ 20            |
| 1,881             | 1,361            | 3,496            | 2,305            |
| 1,395             | 1,477            | 1,442            | 1,536            |
| 2,577             | 1,749            | 4,612            | 3,297            |
| 1,087             | 1,112            | 1,833            | 1,859            |
| 962               | 1,075            | 4,416            | 5,484            |
| 270               | 249              | 375              | 369              |
| 23                | -                | 238              | 225              |
| 2,022             | 1,658            | 3,015            | 2,516            |
| 201               | 258              | 1,021            | 1,014            |
| 1,341             | 1,494            | 1,682            | 1,865            |
| 1,547             | 1,641            | 1,967            | 2,024            |
| 769               | 1,667            | 769              | 1,667            |
| 934               | 949              | 1,208            | 1,143            |
| 839               | 869              | 6,851            | 7,526            |
| 264               | 216              | 1,361            | 1,299            |
| 4,799             | 4,504            | 8,998            | 8,679            |
| 95                | -                | 118              | -                |
| 2,431             | 2,226            | 3,532            | 3,324            |
| 1,455             | 1,188            | 1,635            | 1,356            |
| 361               | 311              | 521              | 465              |
| 513               | 332              | 523              | 338              |
| 3,915             | 3,838            | 8,282            | 8,098            |
| 26                | 20               | 26               | 20               |
| 4,242             | 2,541            | 12,639           | 10,812           |
| 390               | 255              | 690              | 518              |
| 111               | 78               | 111              | 78               |
| 562               | 549              | 596              | 591              |
| 687               | 575              | 1,314            | 1,173            |
| 23                | 92               | 23               | 92               |
| 1                 | -                | 51               | 45               |
| <u>\$ 35,736</u>  | <u>\$ 32,304</u> | <u>\$ 73,358</u> | <u>\$ 69,738</u> |

OPELOUSAS GENERAL HOSPITAL TRUST AUTHORITY AND  
HOSPITAL SERVICE DISTRICT NO. 2 OF  
ST. LANDRY PARISH, LOUISIANA

SCHEDULES OF DEPARTMENTAL REVENUES AND EXPENSES  
Years Ended June 30, 1999 and 1998  
(In Thousands)

|  | <u>Revenues</u>  |                  |
|--|------------------|------------------|
|  | <u>1999</u>      | <u>1998</u>      |
| <b>Routine services:</b>                 |                  |                  |
| Medical and surgical                     | \$ 4,472         | \$ 3,721         |
| Intensive care unit                      | 1,924            | 2,131            |
| Nursery                                  | 483              | 507              |
| Skilled nursing facility                 | 396              | 441              |
|  | <u>\$ 7,275</u>  | <u>\$ 6,800</u>  |
| <b>Ancillary services:</b>               |                  |                  |
| Ambulance                                | \$ 13            | \$ 20            |
| Anesthesiology                           | 3,496            | 2,305            |
| Cancer treatment center                  | 1,442            | 1,536            |
| Cardiac catheterization                  | 4,612            | 3,297            |
| Cardiopulmonary diagnostic lab and rehab | 1,833            | 1,859            |
| Central supply                           | 4,416            | 5,484            |
| Communication disorders                  | 375              | 369              |
| Contract dialysis                        | 238              | 225              |
| CT scan                                  | 3,015            | 2,516            |
| Delivery room                            | 1,021            | 1,014            |
| Emergency room                           | 1,682            | 1,865            |
| Emergency room physician                 | 1,967            | 2,024            |
| Home health                              | 769              | 1,667            |
| Hyperbaric medicine                      | 1,208            | 1,143            |
| Inhalation therapy                       | 6,851            | 7,528            |
| Intravenous therapy                      | 1,361            | 1,299            |
| Laboratory                               | 8,998            | 8,679            |
| Lithotripsy                              | 118              | -                |
| Medical imaging                          | 3,532            | 3,324            |
| MRI                                      | 1,635            | 1,356            |
| Nuclear medicine                         | 521              | 465              |
| Oncology                                 | 523              | 338              |
| Operating room                           | 8,282            | 8,098            |
| Pain management                          | 26               | 20               |
| Pharmacy                                 | 12,639           | 10,812           |
| Physical therapy                         | 690              | 518              |
| Physicians clinic                        | 111              | 78               |
| Pulmonary function                       | 596              | 591              |
| Recovery room                            | 1,314            | 1,173            |
| Rural health clinics                     | 23               | 92               |
| Shots for total                          | -                | -                |
| Social services                          | 51               | 45               |
|  | <u>\$ 73,358</u> | <u>\$ 69,738</u> |
|  | <u>\$ 80,633</u> | <u>\$ 76,538</u> |

| <u>Direct Operating Expenses</u> |                  | <u>Revenues Over (Under)</u>     |                  |
|----------------------------------|------------------|----------------------------------|------------------|
| <u>1999</u>                      | <u>1998</u>      | <u>Direct Operating Expenses</u> | <u>1998</u>      |
| \$ 3,485                         | \$ 3,306         | \$ 987                           | \$ 415           |
| 1,115                            | 1,170            | 809                              | 961              |
| 335                              | 332              | 148                              | 175              |
| 338                              | 404              | 58                               | 37               |
| <u>\$ 5,273</u>                  | <u>\$ 5,212</u>  | <u>\$ 2,002</u>                  | <u>\$ 1,588</u>  |
| \$ 19                            | \$ 27            | \$ (6)                           | \$ (7)           |
| 930                              | 176              | 2,566                            | 2,129            |
| 565                              | 544              | 877                              | 992              |
| 946                              | 517              | 3,666                            | 2,780            |
| 390                              | 433              | 1,443                            | 1,426            |
| 640                              | 784              | 3,776                            | 4,700            |
| 214                              | 207              | 161                              | 162              |
| 221                              | 203              | 17                               | 22               |
| 387                              | 372              | 2,628                            | 2,144            |
| 867                              | 791              | 154                              | 223              |
| 1,033                            | 1,041            | 649                              | 824              |
| 1,434                            | 1,410            | 533                              | 614              |
| 529                              | 763              | 240                              | 906              |
| 703                              | 686              | 505                              | 457              |
| 747                              | 763              | 6,104                            | 6,768            |
| 33                               | 21               | 1,328                            | 1,278            |
| 1,982                            | 1,829            | 7,016                            | 6,850            |
| 73                               | -                | 45                               | -                |
| 1,057                            | 1,038            | 2,475                            | 2,286            |
| 720                              | 568              | 915                              | 788              |
| 191                              | 199              | 330                              | 266              |
| 350                              | 282              | 173                              | 56               |
| 3,290                            | 2,855            | 4,992                            | 5,243            |
| -                                | -                | 26                               | 20               |
| 3,029                            | 2,523            | 9,560                            | 8,289            |
| 301                              | 277              | 389                              | 241              |
| 136                              | 160              | (25)                             | (82)             |
| 332                              | 323              | 264                              | 268              |
| 308                              | 293              | 1,006                            | 880              |
| 131                              | 256              | (108)                            | (164)            |
| 3                                | -                | (3)                              | -                |
| 149                              | 188              | (98)                             | (143)            |
| <u>\$ 21,760</u>                 | <u>\$ 19,527</u> | <u>\$ 51,598</u>                 | <u>\$ 50,211</u> |
| <u>\$ 27,033</u>                 | <u>\$ 24,739</u> | <u>\$ 53,600</u>                 | <u>\$ 51,799</u> |

(Continued)

OPELOUSAS GENERAL HOSPITAL TRUST AUTHORITY AND  
HOSPITAL SERVICE DISTRICT NO. 2 OF  
ST. LANDRY PARISH, LOUISIANA

SCHEDULES OF DEPARTMENTAL REVENUES AND EXPENSES (CONTINUED)  
Years Ended June 30, 1999 and 1998  
(In Thousands)

|  | Revenues Over (Under)            |                  |
|--|----------------------------------|------------------|
|  | <u>Direct Operating Expenses</u> |                  |
|  | <u>1999</u>                      | <u>1998</u>      |
| Revenues over direct operating expenses (forwarded)    | \$ 53,600                        | \$ 51,799        |
| Allowances   | (34,654)                         | (31,779)         |
| Other operating revenues                               | <u>653</u>                       | <u>662</u>       |
|  | <u>\$ 19,599</u>                 | <u>\$ 20,682</u> |
| Operating expenses:                                    |                                  |                  |
| General services                                       | \$ 4,033                         | \$ 3,908         |
| Fiscal and administrative services                     | 6,511                            | 6,490            |
| Depreciation   | 3,700                            | 3,640            |
| Interest   | 606                              | 679              |
| Provision for uncollectible accounts                   | <u>2,928</u>                     | <u>1,944</u>     |
|  | <u>\$ 17,778</u>                 | <u>\$ 16,661</u> |
| Excess of hospital operating revenues<br>over expenses | <u>\$ 1,821</u>                  | <u>\$ 4,021</u>  |

OPELOUSAS GENERAL HOSPITAL TRUST AUTHORITY AND  
HOSPITAL SERVICE DISTRICT NO. 2 OF  
ST. LANDRY PARISH, LOUISIANA

SCHEDULES OF OTHER OPERATING REVENUES AND ALLOWANCES  
Years Ended June 30, 1999 and 1998  
(In Thousands)

|   | <u>1999</u>      | <u>1998</u>      |
|---|------------------|------------------|
| <b>Other operating revenues:</b>            |                  |                  |
| Cafeteria                                   | \$ 284           | \$ 277           |
| Support services - Opelousas Rehabilitation | 188              | 191              |
| Medical management services                 | 31               | 37               |
| Miscellaneous                               | 31               | 52               |
| Outside housekeeping and laundry services   | 72               | 56               |
| Nutritional counseling                      | <u>47</u>        | <u>49</u>        |
|   | <u>\$ 653</u>    | <u>\$ 662</u>    |
| <br><b>Allowances:</b>                      |                  |                  |
| Administrative adjustments                  | \$ 22            | \$ 105           |
| Blue Cross discounts                        | 1,795            | 1,263            |
| Charity allowances                          | 193              | 604              |
| Government contractual allowances           | 25,353           | 26,070           |
| Managed care allowance                      | <u>7,291</u>     | <u>3,737</u>     |
|   | <u>\$ 34,654</u> | <u>\$ 31,779</u> |

OPELOUSAS GENERAL HOSPITAL TRUST AUTHORITY AND  
HOSPITAL SERVICE DISTRICT NO. 2 OF  
ST. LANDRY PARISH, LOUISIANA

SCHEDULES OF DEPARTMENTAL OPERATING EXPENSES  
Years Ended June 30, 1999 and 1998  
(In Thousands)

|   | <u>Salaries</u> |                 | <u>Physician Fees</u> |                 |
|---|-----------------|-----------------|-----------------------|-----------------|
|   | <u>1999</u>     | <u>1998</u>     | <u>1999</u>           | <u>1998</u>     |
| Routine services:                           |                 |                 |                       |                 |
| Medical and surgical                        | \$ 2,799        | \$ 2,545        | \$ -                  | \$ -            |
| Intensive care unit                         | 907             | 903             | -                     | -               |
| Nursery                                     | 270             | 266             | -                     | -               |
| Skilled nursing facility                    | 273             | 298             | 2                     | 19              |
|   | <u>\$ 4,249</u> | <u>\$ 4,012</u> | <u>\$ 2</u>           | <u>\$ 19</u>    |
| Ancillary services:                         |                 |                 |                       |                 |
| Ambulance                                   | -               | -               | -                     | -               |
| Anesthesiology                              | 592             | 6               | 63                    | 67              |
| Cancer treatment center                     | 261             | 249             | -                     | -               |
| Cardiac catheterization                     | 209             | 97              | -                     | -               |
| Cardiopulmonary diagnostic lab<br>and rehab | 172             | 166             | 141                   | 189             |
| Central supply                              | 196             | 181             | -                     | -               |
| Communication disorders                     | 163             | 153             | 3                     | 8               |
| Contract dialysis                           | -               | -               | -                     | -               |
| CT scan                                     | 121             | 104             | -                     | -               |
| Delivery room                               | 681             | 602             | -                     | -               |
| Emergency room                              | 807             | 802             | -                     | -               |
| Emergency room physician                    | 77              | 6               | 1,344                 | 1,371           |
| Home health                                 | 392             | 551             | -                     | -               |
| Hyperbaric medicine                         | -               | -               | -                     | -               |
| Inhalation therapy                          | 441             | 430             | 85                    | 100             |
| Intravenous therapy                         | -               | -               | -                     | -               |
| Laboratory                                  | 766             | 749             | 91                    | 79              |
| Lithotripsy                                 | -               | -               | -                     | -               |
| Medical imaging                             | 651             | 672             | 2                     | 2               |
| MRI   | 3               | -               | -                     | -               |
| Nuclear medicine                            | 68              | 63              | -                     | -               |
| Oncology                                    | 140             | 113             | 165                   | 141             |
| Operating room                              | 863             | 803             | -                     | -               |
| Pain management                             | -               | -               | -                     | -               |
| Pharmacy                                    | 462             | 443             | -                     | -               |
| Physical therapy                            | 234             | 218             | -                     | -               |
| Physician clinics                           | 33              | 109             | -                     | -               |
| Pulmonary function                          | 244             | 239             | 19                    | 12              |
| Recovery room                               | 239             | 221             | -                     | -               |
| Rural health clinics                        | 100             | 167             | -                     | -               |
| Shots for tots                              | 2               | -               | -                     | -               |
| Social services                             | 126             | 109             | -                     | -               |
|   | <u>\$ 8,043</u> | <u>\$ 7,253</u> | <u>\$ 1,913</u>       | <u>\$ 1,964</u> |

| <u>Employee Benefits</u> |                 | <u>Other Expenses</u> |                 | <u>Totals</u>    |                  |
|--------------------------|-----------------|-----------------------|-----------------|------------------|------------------|
| <u>1999</u>              | <u>1998</u>     | <u>1999</u>           | <u>1998</u>     | <u>1999</u>      | <u>1998</u>      |
| \$ 485                   | \$ 474          | \$ 201                | \$ 287          | \$ 3,485         | \$ 3,306         |
| 158                      | 169             | 50                    | 98              | 1,115            | 1,170            |
| 47                       | 51              | 18                    | 15              | 335              | 332              |
| 48                       | 57              | 15                    | 30              | 338              | 404              |
| <u>\$ 738</u>            | <u>\$ 751</u>   | <u>\$ 284</u>         | <u>\$ 430</u>   | <u>\$ 5,273</u>  | <u>\$ 5,212</u>  |
| \$ -                     | \$ -            | \$ 19                 | \$ 27           | \$ 19            | \$ 27            |
| 103                      | 1               | 172                   | 102             | 930              | 176              |
| 45                       | 47              | 259                   | 248             | 565              | 544              |
| 37                       | 68              | 700                   | 352             | 946              | 517              |
| 30                       | 31              | 47                    | 52              | 390              | 433              |
| 34                       | 34              | 410                   | 569             | 640              | 784              |
| 28                       | 29              | 202                   | 17              | 214              | 207              |
| -                        | -               | 221                   | 203             | 221              | 203              |
| 21                       | 20              | 245                   | 248             | 387              | 372              |
| 117                      | 114             | 69                    | 75              | 867              | 791              |
| 141                      | 150             | 85                    | 89              | 1,033            | 1,041            |
| 13                       | 2               | -                     | 31              | 1,434            | 1,410            |
| 68                       | 103             | 69                    | 109             | 529              | 763              |
| -                        | -               | 703                   | 686             | 703              | 686              |
| 77                       | 81              | 144                   | 150             | 747              | 761              |
| -                        | -               | 33                    | 21              | 33               | 21               |
| 133                      | 142             | 992                   | 859             | 1,982            | 1,829            |
| -                        | -               | 73                    | -               | 73               | -                |
| 113                      | 125             | 291                   | 239             | 1,057            | 1,038            |
| -                        | -               | 717                   | 568             | 720              | 568              |
| 12                       | 12              | 111                   | 124             | 191              | 199              |
| 25                       | 22              | 20                    | 6               | 350              | 282              |
| 150                      | 152             | 2,277                 | 1,900           | 3,290            | 2,855            |
| -                        | -               | -                     | -               | -                | -                |
| 80                       | 83              | 2,537                 | 1,997           | 3,079            | 2,523            |
| 41                       | 41              | 26                    | 18              | 301              | 277              |
| 6                        | 18              | 97                    | 33              | 136              | 160              |
| 42                       | 45              | 27                    | 27              | 332              | 323              |
| 41                       | 42              | 28                    | 30              | 308              | 293              |
| 17                       | 32              | 14                    | 57              | 131              | 256              |
| -                        | -               | 1                     | -               | 3                | -                |
| 22                       | 21              | 1                     | 58              | 149              | 188              |
| <u>\$ 1,396</u>          | <u>\$ 1,415</u> | <u>\$ 10,406</u>      | <u>\$ 8,895</u> | <u>\$ 21,760</u> | <u>\$ 19,527</u> |

(Continued)

OPELOUSAS GENERAL HOSPITAL TRUST AUTHORITY AND  
HOSPITAL SERVICE DISTRICT NO. 2 OF  
ST. LANDRY PARISH, LOUISIANA

SCHEDULES OF DEPARTMENTAL OPERATING EXPENSES (CONTINUED)  
Years Ended June 30, 1999 and 1998  
(In Thousands)

|   | <u>Salaries</u> |                 |
|---|-----------------|-----------------|
|   | <u>1999</u>     | <u>1998</u>     |
| <b>General services:</b>                      |                 |                 |
| Biomedical services                           | \$ 93           | \$ 40           |
| Dietary                                       | 464             | 433             |
| Housekeeping                                  | 608             | 543             |
| Laundry and linen                             | 131             | 122             |
| Performance improvement                       | 269             | 302             |
| Plant engineering                             | 278             | 229             |
| Security                                      | -               | -               |
|   | <u>\$ 1,843</u> | <u>\$ 1,669</u> |
| <b>Fiscal and administrative services:</b>    |                 |                 |
| Accounting/reimbursement                      | \$ 243          | \$ 232          |
| Administration                                | 272             | 251             |
| Admitting                                     | 175             | 143             |
| Business office                               | 324             | 318             |
| Communications                                | 81              | 70              |
| Continuous quality improvement                | 55              | 54              |
| Controller                                    | 231             | 207             |
| External affairs                              | 29              | 24              |
| Health information services/quality assurance | 535             | 454             |
| Human resources                               | 78              | 75              |
| Industrial medicine                           | 73              | 77              |
| Information technology                        | 362             | 355             |
| Marketing                                     | 59              | 59              |
| Medical management services                   | 65              | 87              |
| Medical staff relations/physician development | 23              | 23              |
| Property and liability insurance              | -               | -               |
| Public relations                              | 40              | 39              |
| Safety  | 61              | 61              |
| Sales taxes                                   | -               | -               |
| Volunteer services                            | 37              | 35              |
|   | <u>\$ 2,743</u> | <u>\$ 2,560</u> |

| <u>Employee Benefits</u> |               | <u>Other Expenses</u> |                 | <u>Totals</u>   |                 |
|--------------------------|---------------|-----------------------|-----------------|-----------------|-----------------|
| <u>1999</u>              | <u>1998</u>   | <u>1999</u>           | <u>1998</u>     | <u>1999</u>     | <u>1998</u>     |
| \$ 16                    | \$ 10         | \$ 15                 | \$ 23           | \$ 124          | \$ 73           |
| 81                       | 81            | 326                   | 332             | 871             | 846             |
| 106                      | 102           | 132                   | 119             | 846             | 764             |
| 23                       | 23            | 115                   | 124             | 269             | 269             |
| 47                       | 58            | 59                    | 55              | 375             | 415             |
| 48                       | 46            | 1,068                 | 1,117           | 1,394           | 1,392           |
| -                        | -             | 154                   | 149             | 154             | 149             |
| <u>\$ 321</u>            | <u>\$ 320</u> | <u>\$ 1,869</u>       | <u>\$ 1,919</u> | <u>\$ 4,033</u> | <u>\$ 3,908</u> |
| \$ 43                    | \$ 44         | \$ 49                 | \$ 49           | \$ 335          | \$ 325          |
| 44                       | 44            | 1,023                 | 991             | 1,339           | 1,286           |
| 30                       | 27            | 27                    | 19              | 232             | 189             |
| 56                       | 59            | 330                   | 270             | 710             | 647             |
| 14                       | 13            | 202                   | 189             | 297             | 272             |
| 10                       | 10            | 3                     | 4               | 68              | 68              |
| 40                       | 39            | 25                    | 16              | 296             | 262             |
| 5                        | 5             | 4                     | 3               | 38              | 32              |
| 93                       | 85            | 210                   | 204             | 838             | 743             |
| 13                       | 14            | 101                   | 82              | 192             | 171             |
| 12                       | 15            | 14                    | 12              | 99              | 104             |
| 62                       | 67            | 335                   | 343             | 759             | 765             |
| 10                       | 10            | 74                    | 96              | 143             | 161             |
| 9                        | 17            | 9                     | 12              | 83              | 116             |
| 4                        | 4             | 479                   | 760             | 506             | 787             |
| -                        | -             | 373                   | 360             | 373             | 360             |
| 7                        | 7             | -                     | -               | 47              | 46              |
| 11                       | 12            | 3                     | 4               | 75              | 77              |
| -                        | -             | 13                    | 18              | 13              | 18              |
| 6                        | 6             | 25                    | 20              | 68              | 61              |
| <u>\$ 499</u>            | <u>\$ 478</u> | <u>\$ 3,299</u>       | <u>\$ 3,452</u> | <u>\$ 6,511</u> | <u>\$ 6,490</u> |

OPELOUSAS GENERAL HOSPITAL TRUST AUTHORITY AND  
HOSPITAL SERVICE DISTRICT NO. 2 OF  
ST. LANDRY PARISH, LOUISIANA

DEPARTMENTAL STATISTICS  
Years Ended June 30, 1999 and 1998

|  | <u>1999</u>   | <u>1998</u>   |
|--|---------------|---------------|
| Beds licensed:                                     |               |               |
| Acute care   | 159           | 159           |
| Skilled nursing facility                           | <u>13</u>     | <u>13</u>     |
| Total  | <u>172</u>    | <u>172</u>    |
| Percentage of occupancy for staff beds in service: |               |               |
| Acute care   | 54.35%        | 60.90%        |
| Skilled nursing facility                           | 48.57%        | 66.36%        |
| Percentage of gross patient service revenues:      |               |               |
| Medicare   | 44%           | 51%           |
| Medicaid   | 18            | 20            |
| All other  | <u>38</u>     | <u>29</u>     |
|  | <u>100%</u>   | <u>100%</u>   |
| Discharges:  |               |               |
| Acute care   | 5,489         | 5,419         |
| Skilled nursing                                    | <u>238</u>    | <u>279</u>    |
| Total  | <u>5,727</u>  | <u>5,698</u>  |
| Patient days in care:                              |               |               |
| Medical and surgical                               | 20,437        | 20,967        |
| Intensive care                                     | <u>2,179</u>  | <u>2,149</u>  |
| Acute care subtotal                                | 22,616        | 23,116        |
| Nursery  | 1,561         | 1,535         |
| Skilled nursing facility                           | <u>2,305</u>  | <u>3,149</u>  |
| Total  | <u>26,482</u> | <u>27,800</u> |

(Continued)

OPELOUSAS GENERAL HOSPITAL TRUST AUTHORITY AND  
HOSPITAL SERVICE DISTRICT NO. 2 OF  
ST. LANDRY PARISH, LOUISIANA

DEPARTMENTAL STATISTICS (CONTINUED)  
Years Ended June 30, 1999 and 1998

|                         | <u>1999</u>   | <u>1998</u>   |
|-------------------------|---------------|---------------|
| Surgeries:              |               |               |
| Inpatient               | 2,568         | 2,523         |
| Outpatient              | <u>2,442</u>  | <u>2,508</u>  |
| Total                   | <u>5,010</u>  | <u>5,031</u>  |
| Deliveries              | 763           | 716           |
| Procedures:             |               |               |
| Laboratory              | 236,792       | 228,412       |
| Radiology               | 37,606        | 37,051        |
| CT scan                 | 4,387         | 3,762         |
| Nuclear medicine        | 1,900         | 1,821         |
| MRI                     | 1,502         | 1,228         |
| Radiation therapy       | 3,897         | 4,475         |
| Heart catheterization   | 520           | 387           |
| Hyperbaric oxygen       | 2,615         | 2,720         |
| Physical therapy        | 12,480        | 9,206         |
| Outpatient visits:      |               |               |
| Emergency room          | 20,646        | 21,530        |
| Other outpatient visits | <u>60,131</u> | <u>50,459</u> |
| Total                   | <u>80,777</u> | <u>71,989</u> |
| Home Health visits      | 8,882         | 23,799        |

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## **BROUSSARD, POCHE', LEWIS & BREAU, L.L.P.**

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Erna R. Walton, CPA 1988  
George A. Lewis, CPA\* 1992  
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Members of American Institute of  
Certified Public Accountants  
Society of Louisiana Certified  
Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

Board of Trustees  
Opelousas General Hospital Trust Authority  
and Board of Commissioners  
Hospital Service District No. 2  
St. Landry Parish, Louisiana

We have audited the consolidated financial statements of Opelousas General Hospital as of and for the year ended June 30, 1999, and have issued our report thereon dated November 3, 1999.

We have conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of Opelousas General Hospital is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

Board of Trustees  
Opelousas General Hospital Trust Authority  
and Board of Commissioners  
Hospital Service District No. 2  
St. Landry Parish, Louisiana

In planning and performing our audit of the consolidated financial statements of Opelousas General Hospital for the year ended June 30, 1999, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We did not note any matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Trustees, management, and the Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Broussard, Pochi, Lewis ; Bureau L.L.P.*

Opelousas, Louisiana  
November 3, 1999



## **BROUSSARD, POCHE', LEWIS & BREAU, L.L.P.**

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

Board of Trustees  
Opelousas General Hospital Trust Authority  
and Board of Commissioners  
Hospital Service District No. 2  
St. Landry Parish, Louisiana

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Public Accountants

We have audited the consolidated financial statements of Opelousas General Hospital, as of and for the year ended June 30, 1999, and have issued our report thereon dated November 3, 1999.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Opelousas General Hospital, is the responsibility of Opelousas General Hospital's management. As part of obtaining reasonable assurance about whether the consolidated financial statements are free of material misstatement, we performed tests of the Hospital's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the consolidated financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests did not disclose any instances of noncompliance that are required to be reported under Government Auditing Standards.

Board of Trustees  
Opelousas General Hospital Trust Authority  
and Board of Commissioners  
Hospital Service District No. 2  
St. Landry Parish, Louisiana

This report is intended for the information of the Board of Trustees, management, and the Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Broussard, Poché, Lewis ; Breaux L.L.P.*

Opelousas, Louisiana  
November 3, 1999